GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:1860
ANSWERED ON:09.03.2015
CHINESE IMPORTS
Kachhadia Shri Naranbhai

Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the Micro, Small and Medium Enterprises (MSMEs) sector is facing strong competition from the cheaper Chinese products being imported in the country;

(b) if so, the details in this regard along with the reasons therefor; and

(c) the steps taken /being taken by the Government to deal with this situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES (SHRI GIRIRAJ SINGH)

(a) & (b): Yes, Madam. Strong competition from the cheaper Chinese products faced by the Micro, Small and Medium Enterprises (MSMEs) of the country is evident in high growth of India's imports from China. As per information compiled from Director General of Commercial Intelligence & Statistics in respect of 8 major product groups largely manufactured by the Small Scale Industries (SSIs) in India, imports from China grew at a higher rate than their respective imports from All Countries combined during 2010-11 to 2013-14. As these 8 product groups accounted for 68% of India's total imports from China in 2013-14, a significant proportion of Indian SSIs are seen to be facing greater competition from China as compared to the rest of the World. These product groups pertain to Electrical & Electronics, Mechanical and Metallurgical products on the one hand and Chemical and Glass & Ceramics based products on the other.

(c): Government has been implementing various schemes/programmes to deal with this problem and help the micro and small industries for effectively competing with imports from China and other countries. Some of these schemes/programmes include National Manufacturing Competitiveness Programme (NMCP); Credit Guarantee Scheme; Credit Linked Capital subsidy Scheme; Cluster Development Programme; Market Development Assistance Scheme; and Vendor Development Programme for Ancillarisation. These schemes/programmes help MSMEs growth, increase their competitiveness and consequently exports.

Government has also been imposing anti-dumping duties, permitted under the WTO, for restricting imports when such imports have been established as unfairly affecting the market for goods and services produced by Indian industries. Government also imposes Safeguard duties to protect domestic industries against a surge of imports from other countries. These mechanisms are operated by Directorate General of Anti Dumping and Allied Duties (DGAD) and Directorate General of Safeguards (DGSG) respectively.